



June 2024 Monthly Report

Returns 31-Dec-12 to 30-Jun-24

	Norse Capital All Ords Accum Outperformance			Small Ords Accum Outperformance	
Inception	414.70%	173.25%	241.46%	82.76%	331.95%
Inception per annum	15.31%	8.66%	6.64%	5.00%	10.30%
CY2024 (ytd)	21.55%	4.22%	17.33%	2.75%	18.80%
CY2023	17.73%	12.98%	4.75%	7.82%	9.90%
CY2022	-30.79%	-2.96%	-27.83%	-18.38%	-12.41%
CY2021	16.86%	17.74%	-0.88%	16.90%	-0.04%
CY2020	26.36%	3.64%	22.73%	9.21%	17.15%
CY2019	43.44%	24.06%	19.38%	21.36%	22.08%
CY2018	7.46%	-3.53%	10.99%	-8.67%	16.13%
CY2017	15.55%	12.47%	3.08%	20.02%	-4.46%
CY2016	9.31%	11.65%	-2.33%	13.18%	-3.87%
CY2015	36.80%	3.78%	33.02%	10.16%	26.65%
CY2014	10.81%	5.02%	5.79%	-3.81%	14.62%
CY2013	19.24%	19.66%	-0.41%	-0.76%	20.00%
1m	4.97%	0.70%	4.27%	-1.39%	6.36%
3m	10.85%	-1.16%	12.01%	-4.46%	15.31%
6m	21.55%	4.22%	17.33%	2.75%	18.80%
1y	38.36%	12.51%	25.85%	9.34%	29.01%
2y pa	19.31%	13.61%	5.71%	8.88%	10.43%
3y pa	1.56%	6.11%	-4.55%	-1.54%	3.11%
5y pa	8.14%	7.62%	0.52%	3.70%	4.44%
7y pa	14.62%	8.96%	5.66%	6.15%	8.47%
10y pa	15.38%	8.31%	7.07%	6.44%	8.94%
Sharpe Ratio	0.92	0.58	1.60x	0.29	3.19x
Sortino Ratio	1.53	0.81	1.88x	0.41	3.75x
Annualised standard deviation	14.79%	13.74%		16.86%	
Highest monthly return	11.91%	10.16%		14.27%	
Largest monthly loss	-10.61%	-20.94%		-22.38%	
Largest drawdown	-36.68%	-27.33%		-29.11%	
% positive months	69.57%	65.22%		57.25%	

A note prior to this month's report: July's report will probably be later than usual as I will be undergoing a total hip replacement surgery at the

end of this month. Unfortunately, the ski accident saga from January 2023 didn't end with the initial surgery. Unbeknownst at the time, the fracture of my femoral neck also disrupted the blood supply to the ball of the femur and as a consequence, over the last 18 months the bone there has died (avascular necrosis). I did ask for a bionic hip replacement but unfortunately didn't have \$6m lying around in petty cash...

Once again, a mostly positive result for equity markets in June with the All Ords up +0.7% while the Small Ords was the negative outlier, dropping -1.4%. The main US indices continued to post all-time highs with the S&P 500 up +3.5% and the Nasdaq +6.0%. Our portfolio added just shy of +5%. From an end of financial year point of view (although I much prefer, and also report on a calendar year basis), our portfolio added just shy of +38.4%. Happy with that result so far; we still have some catch up to do to recapture our portfolio all-time highs from late 2021 before our ~-30.8% drop in 2022.

The biggest drag to performance in June came from our crypto holdings which cost us ~-0.6%. BTC dropped -8.5% and Ethereum -9.5%. Not an unexpected magnitude fall given the high historical volatility in crypto assets and the positive run to date. We currently have a ~4.3% crypto weighting.

A loss also from RMD which dropped -7.3% in June to take it out of our top 5 positions. Once again, positive GLP-1 weight loss drug news saw a reciprocal downdraft in the RMD share price. This time Eli Lilly announcing additional trial data showing that Zepbound helped reduce the severity of sleep apnoea in almost half of patients and that it had applied for FDA approval for Zepbound to treat sleep apnoea. Seemingly news that "should" already have been mostly known and priced into the stock but that didn't stop the sell the news crowd. Recently RMD has acted like a trading stock; buy into their quarterly financials then sell the rebound in anticipation of more GLP-1 news. Unfortunately, not something that I have had the initiative to do.

On the positive side of the ledger, our largest holding PME continued its upward march, posting a +19.3% performance in June to new all-time highs. No new news during the month, perhaps some follow on from their announcement on the last day of the previous month of \$45m in new contract signings ranging from 5 to 8 years duration. PME continues to climb the valuation mountain; more new contract signings will be required to build on the positive momentum. The share price has so far come off in early July.

A positive contribution from our enterprise software basket, adding just shy of +2.2% to performance. Individual components ranged from -0.8% for SNOW to +5.3% for TTD, +13.1% for ZS, +17.7% for DDOG and +22.2% for CRWD to take the latter past RMD into our top 5 holdings. Good to see the basket continue the positive overall contribution from last month after a couple months as the biggest portfolio detractor. Helped along by recent positive inflation data (i.e. lower inflation numbers) and some rotation within the tech space back towards cloud names, at least for now. The basket currently represents an ~19.5% weighting (after selling a portion of our SNOW position near the lows).

AAPL was also a notable positive contributor in June with the shares up +9.6% post their AI-focused WWDC. The bull thesis from here includes: (1) An AI-inspired iPhone upgrade cycle as only the latest iPhones will have the new AI features. (2) A far more modest AI capex requirement compared to their big-cap peers (GOOG, MSFT, AMZN, META) who are spending billions building GPU data centres. (3) The distributor of choice of competing AI models allowing them to clip the ticket on future AI-based apps and potentially even getting paid to make one of those AI models the default on iPhones (analogous to the \$15-\$20b that Alphabet pays Apple to make Google the default search engine. Apple has already started with OpenAI announced at WWDC at zero cost to Apple).

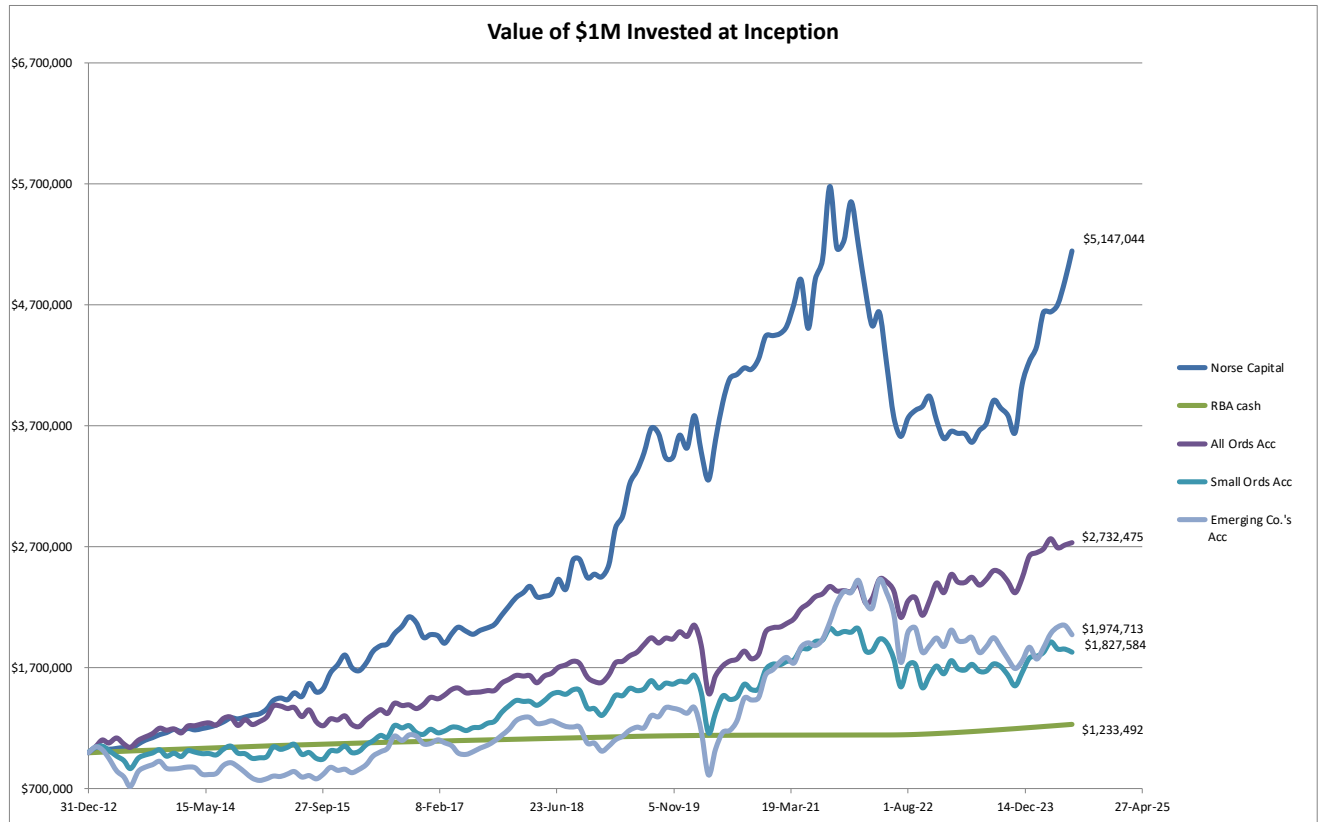
Shorts and hedges cost the portfolio -0.3% while the +0.24% rise in the AUD cost the portfolio another -0.14%.

Portfolio Holdings:

Cash:	17.2% (AUD and USD)
AUD-USD currency exposure:	16.5%
Longs:	88.1%
Shorts:	-9.1%
Options delta:	4.1%
Net exposure:	83.1%
Top 5 equities (alphabetical):	AAPL, CRWD, PME, RUL, TTD

Net exposure has increased slightly by +0.6%. Some of our MU calls have converted to outright longs while the remaining calls are further in the money. I also bought some “just in case” call spreads against our

QQQ shorts and added slightly to those shorts. The call spread should take us out of the shorts which have obviously been a drag on performance if the markets continue higher. I also bought puts to cover our NVDA position below \$120, having lucked out purchasing them near NVDA's recent highs. Finally, I have just started re-purchasing put spreads after a recent hiatus given the continued upwards push in equity indices.



Performance/Risk Ratios

